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C O R R E C T E D C O P Y (Changed text in paragraph 6)

S/CT FOR S. GAIL ROBERTSON AND BRUCE AVERILL
NEA/ARP FOR BOB JACHIM
DS/T/ATA FOR KEVIN MALOY
DEPT OF ENERGY PASS TO A/S KEVIN KOLEVAR

E.O. 12958: DECL: 02/18/2033
TAGS: [PTER](#) [PREL](#) [PGOV](#) [ECON](#) [ETTC](#) [EAID](#) [EFIN](#) [EAGR](#) [ASEC](#)
QA
SUBJECT: QATAR: CI/KR RESPONSE FOR S/CT

REF: A. SECSTATE 6461
[1](#)B. DOHA 00075
[1](#)C. DOHA 00311 (2007)

Classified By: CDA Michael Ratney for reasons 1.4(b) and (d).

[1](#)1. (S/NF) Summary: Post assesses that U.S. investments in Qatar's energy industry, coupled with the onset of regular liquefied natural gas (LNG) exports to the U.S. 2008-12, constitute the main critical infrastructure and key resources, which if destroyed, disrupted or exploited might have an immediate and deleterious effect on the United States. Embassy Doha continues to engage Government of Qatar entities across the spectrum to increase awareness and implement increased security procedures to identify and protect critical infrastructure. Qatari officials appear to understand the need for strategic-level planning, but have been slow to embrace USG offers for assistance or requests for information/transparency on their current vulnerabilities and infrastructure protection programs. Second to critical energy infrastructure, the (distant) USG priority in Qatar should be addressing the potential negative effects of a pandemic outbreak. Priority three would be protecting telecommunications and financial assets. End Summary.

KEY RESOURCES

[1](#)2. (C) Qatar shares with Iran the largest non-associated gas field in the world, and Qatar's portion contains an estimated 900 trillion cubic feet of natural gas, giving it the third-largest reserves of natural gas in the world. Qatar is believed to have an agreement with Iran providing a set extraction limit in the field; however, the details of this arrangement are not known to us. In early 2008, Qatar's share of hydrocarbon revenue from natural gas and derivatives was 40 percent compared to 60 percent for oil. Current estimates are that by 2012 Qatar plans to produce 77 million tons of LNG annually, roughly a third of which Qatar hopes to export to the U.S. market.

CRITICAL INDUSTRIAL CENTERS

[1](#)3. (C) There are three main industrial facilities of interest

that if destroyed or their production disrupted could have an immediate effect on U.S. national economic security. In order of priority, these are Ras Laffan Industrial City (RLIC), Mesaieed Industrial City (MIC) and port complex, and Dukhan Industrial City. All three industrial centers are under the control and supervision of Qatar Petroleum, a semi-autonomous government organization whose CEO, Abdullah bin Hamad Al-Attiyah, is also the Deputy Prime Minister and Minister of Energy and Industry. Natural gas production is primarily centered around the coast and offshore areas in the northeast of Qatar, in and around Ras Laffan; while, oil production is concentrated on the western coast near Dukhan as well as offshore platforms.

¶4. (C) Ras Laffan is Qatar's flag-ship industrial center, predominantly focused on the production of Liquefied Natural Gas (LNG) and derivative petrochemicals obtained during the natural gas extraction process. Destruction or an attack disrupting production at RLIC would cause exceptionally grave damage to the world market and U.S. national economic security interests. Statements by Embassy contacts indicate that as of early 2008, Qatar LNG production for export to Japan and South Korean represented over 60 percent of those respective countries internal natural gas consumption; by 2012 a third of Qatari LNG produced could be destined for the U.S. market, at which time it is estimated that Qatar will be the largest source of imported LNG to the U.S. market.

¶5. (C) Ras Laffan-based QatarGas production trains three and four will produce 2.8 billion cubic feet per day of LNG, and RasGas is currently building two trains at Ras Laffan with 7.8 million tons of annual capacity. ("Trains" are the liquefaction plants which draw gas pumped at offshore platforms, liquefy it, and load it onto LNG tankers.) All four of these trains are allocated for U.S. markets and will be among the largest in the world. In addition, major U.S. energy companies such as ExxonMobil and ConocoPhillips are partners with Qatar and currently have \$13 billion invested in Qatar's natural gas industry. Therefore, Ras Laffan's importance as a critical facility will continue to grow as production and exports to the U.S. increase.

¶6. (S/NF) Mesaieed industrial city and port complex, located approximately 40 km south of Doha, was established in 1996 and is the main shipping point for oil from Dukhan to the international market. Destruction or disruption of port services would effectively shut down oil shipments from Qatar, affecting potentially around 60 percent of Qatar's petroleum revenue. In addition, the port complex is a key choke point for U.S. and coalition military equipment, munitions and bulk aviation fuel delivery to Al-Udeid Air Base and Camp As Sayliyah, the two Qatari military installations hosting Coalition forces. Any disruption to port operations would severely limit U.S. military operations throughout the U.S. Central Command AOR. As an example, in September-October 2007, strategic fuel reserves at Al Udeid Airbase were depleted because unscheduled, uncoordinated road construction caused increased transit time for fuel tankers. The situation continued for 30 days until resolved. Had the situation not been resolved, there would have been an impact on theater-wide combat and airlift operations.

¶7. (C/NF) Mesaieed is also the location of most of Qatar's light, medium and support petrochemical plants; producing fertilizer, fuel additives, lubricants, plastics and vinyl for domestic consumption and export. The facility is comprised of four major treatment plants as well as a specialized holding area to store and export products. Natural Gas Liquids Plants 1 and 2 are designed to separate and fractionate LNG extracted from various production areas into a number of fractionated final products. Natural Gas Liquids Plant 3 is composed of separate units to treat gas and condensates and plant 4 is an expansion and development of QPs gas treatment capacity alongside the fractionation and treatment facilities in Mesaieed. All of these plants are directly adjacent to the port facilities, and a major incident at any of them could effectively shut down port

operations.

¶8. (C) Dukhan industrial city currently accounts for the majority of the 60 percent of revenue from the oil and gas sector. While natural gas production and revenue will overtake oil over the long term, the destruction or disruption of production at Dukhan would have a severe impact on the Qatari economy and may effect world and U.S. economies.

USG ENGAGEMENT

¶9. (C/NF) Post and Department have continued to identify Qatar's increasingly important role as a world producer in the oil and LNG sectors and its inherent high value as a potential terrorism target as a point of concern. Qatar's expectation of becoming the world's LNG and gas-to-liquids (GTL) leader by 2012 necessitates a comprehensive energy infrastructure security program that is currently lacking. While the Qataris have adequately planned a production and shipping infrastructure for the booming business, it appears they are just beginning to consider how to protect it. Post continues to engage GOQ officials on critical energy infrastructure security, which remains a high priority for us.

¶10. (C) Per ref C, Post formed a DCM-led internal working group comprising Pol/Econ, DAO, RAO, OMC, FCS, and RSO to lay the ground work for engagement with the GOQ on critical infrastructure protection. This group meets on an as-needed basis. In March 2007, a U.S. Coast Guard International Port Security Program inspection team analyzed Qatar's energy security infrastructure, and in April, NAVCENT's Maritime Liaison Office (MARLO) conducted a visit concerning energy infrastructure protection, joint venture companies, and international energy partners. An additional visit in June 2007 by S/CT and DS/ATA focused on the Critical Energy Infrastructure program (CEIP) and surveying Qatar's infrastructure for recommended improvements and implementation assistance.

U.S./QATARI JOINT EFFORTS

¶11. (C/NF) As a result of the S/CT and DS/ATA visit, post drafted a joint working group framework to continue dialogue on energy infrastructure security. To date, the GOQ has been slow in embracing the framework agreement; however, Post, Department and USG concerns have not fallen on deaf ears. GOQ officials have expressed their own concerns, identifying a risk associated with critical infrastructure, during meetings with Post officials and USG visitors since early ¶2007. In the most recent such meeting, described Ref B, Department of Energy Assistant Secretary Kevin Kolevar met with Minister of State for Energy and Industry Mohammed Saleh Al-Sada and Qatar Petroleum Director of the Industrial Security Directorate BG Abdulaziz Al-Ansari. Al-Ansari has stated on several occasions since mid-2007 that the GOQ and QP remain committed to working with the USG once security personnel issues in his office have been rectified and the appropriate staff are in place.

¶12. (C) The Qatari government's appreciation of U.S. training and technology presents numerous prospects for U.S. engagement. We know that Qatar will need trainers, physical security improvements (such as delta pop-up barriers, fences and anti-vehicle berms), weapons, and technological equipment (CCTV, etc). Offshore protection is an area with the greatest potential; Qatar will need additional and more advanced offshore patrol vessels, plus enhanced maritime surveillance and communications equipment, weapons and trained crews. There is currently a lack of standardized security practices; however, the Qatari government has identified gaps in security infrastructure and has worked with U.S. commercial firms to begin acquisition and training in the use of technical security equipment.

GOQ INTEREST AND PLANS

¶13. (S/NF) In 2005, the GOQ contracted with a U.S. security and safety company to perform a top-down, zero-based review of critical infrastructure protection; the study encompassed organizational lines of command and control for the security services and industrial facility security at the three facilities identified previously. The resultant report by the U.S. company, which has not been shared with the USG and remains highly classified by the GOQ, reportedly identified and prioritized deficient areas and provided recommendations in each. Also reportedly, the report has been used as the grail stone from which the Heir Apparent has directed that no deviations be allowed.

Qatari Strategic Security Initiatives

¶14. (S) According to Al-Sada during his January 22 meeting with A/S Kolevar, the Heir Apparent recently established an Industrial Security Steering Committee under the Ministry of Interior charged with managing the current nationwide industrial security apparatus and improving overall security capacity. The creation of the steering committee was part of the Heir Apparent's strategic security initiatives, which include the planned establishment of an integrated National Crisis Center (NCC) and development of the National Security Shield (NSS). The NCC would provide coordinated command and control of security and civil defense units in response to national emergencies, while the NSS would create a series of interconnected fixed and mobile radar platforms to identify threats by sea, air and land.

PRIORITY TWO - PANDEMIC DISEASE THREAT

¶15. (S/NF) Post believes that the current threat posed by a pandemic disease outbreak and the ability of the Qatari government to contain and treat victims would be poor. While there are three large hospitals in the city, the government sponsored Hamad Medical Center (HMC) would be incorporated into the national response plan and could be responsible for treating over one million people in the event of an outbreak.

Military reporting, and November 2007 Embassy discussions with the Director of Public Health at the Qatari National Health Authority, American Dr. Gail Fraser Chanpong (protect), have concluded that the national health system, centered around HMC would be poorly equipped to detect, isolate and treat victims of a pandemic outbreak in Qatar, and the hospital itself would be easily overrun by patients. Dr Chanpong told PolOff and Amman Regional ESTH Hub Officer that the National Health Authority was working on incorporating preventive planning and emergency preparedness, but believed that current detection, monitoring and notification at ports of entry was poor. She was not confident that HMC could treat a large scale pandemic outbreak, adding that there was no national preparedness plan for bio-terrorism. She and her colleagues at the National Health Authority would welcome USG assistance. She stated that HMC, NHA and the GOQ, based on current planning, would give priority to the treatment of Qatari nationals (who constitute at most 20 percent of the population) in the event of an outbreak.

¶16. (C) Press reports over the past four months have indicated an increase in outbreaks of H5N1 Avian Influenza cases in Bangladesh, Indonesia and Saudi Arabia with some reports of human transfer and death. With the plan to increase airline traffic through Doha, and the increase of travelers and transitory workers to Qatar and other Gulf nations from countries affected by Avian Influenza, the chances of an outbreak occurring in Qatar is ever present. The increase of travelers from affected regions poses a potential threat of transfer of the disease to the U.S. from air travelers on one of the daily direct Qatar Airways

flights to New York and Washington. In addition, any AI outbreak would also pose a direct threat to the thousands of U.S. and coalition military members located in Qatar. They are exposed to third country nationals from high threat regions living off base but who work on base.

¶17. (SBU) Post has established an AI Working Group consisting of representation from DAO, OMC, P/E, RSO, MED, and CLO. The group meets quarterly to discuss trends and recommends posts response action in the event of an outbreak affecting Qatar. EconOff also works with the Amman ESTH Regional Hub Officer and the Qatari NHA to increase interaction on the pandemic disease and bio-terrorism threats.

PRIORITY THREE -- TELECOMS AND FINANCE

¶18. (SBU) Qatar is not a major hub for telecommunications, network operating centers, or financial activity that support and have a major effect on the U.S. economy. The government-owned Qatar Telecommunications (QTEL) company currently enjoys a monopoly on the telecom sector in Qatar though a second mobile license was recently issued to a consortium consisting of the Vodafone group and the GOQ-funded Qatar Foundation. Qatar's telecom sector is mostly insular and is not a regional hub, as evident by the recent loss of one undersea telecom cable linking Qatar to the UAE on February 4th that only resulted in a 40 percent loss of internet and telephone capacity for Qatar, which decreased to 30 percent after 24 hours. Experts concluded that the design of the telecommunications infrastructure in the Gulf would not be affected by loss of infrastructure in Qatar. U.S. military and government operations in Qatar can run independently of the Qatar telecoms grid with minimal loss of bandwidth or connectivity.

¶19. (SBU) A significant disruption of the financial market in Qatar is assessed to have a negligible affect on U.S. national economic security. Plans are aloft to increase the number of American and international companies resident in the Qatari financial sector; however, currently, only the destruction or disruption of the state-owned Qatar Investment Authority (QIA) and its umbrella subordinate organs -- Qatar Holdings and Qatari Diar -- could represent a potential, although unlikely, threat to U.S. national economic security.

QIA CEO and Vice Chairman (and Qatar's Prime Minister/Foreign Minister) Sheikh Hamad bin Jasim Al Thani (HBJ) announced at the 2008 Davos Economic Forum that QIA planned to invest \$15 billion in American and European banks during 2008. QIA has an estimated \$60 billion in assets, with plans to double that amount by 2010.

RATNEY